Defaulters still owe Rs91bn to banks, NA informed

Bureau Report

ISLAMABAD, Dec 31: The nationalized banks have recovered a little over Rs17 billion from their debtors during 1998, whereas Rs91 billion is still outstanding against the defaulters.

Parliamentary secretary for finance Kamil Umar on Wednesday admitted before the National Assembly that the recovery campaign launched by the government this year had not been impressive. He, however, said the government intended to take stringent steps to improve the position of recovery.

Replying to a question by Nasimur Rehman, MNA, he said that from Jan 1, 1997 to Dec 15, 1998 a sum of Rs17,391m was recovered by the nationalized banks. Of these Habib Bank recovered Rs7,090m, United Bank Rs5,480m and the National Bank of Pakistan Rs4,821m.

The amount outstanding against the defaulters were Rs29,735m of the NBP, Rs27,640 of the HBL and Rs24,245m of the UBL.

Mr Umar said that special recovery departments with adequate professional staff had been set up in each nationalized bank for effective recovery and its monitoring. Targets for recovery had also been assigned to the respective regional and circle offices of these banks.

The defaulters were also being taken to the special banking courts in those cases where the were refusing or showing reluctance to pay back the stuck up loan, he said.

Opposition MNAs Khurshid Shah and Naveed Qamar criticized the government for not recovering amounts from big defaulters and targeting those who had taken small loans from the banks. Shah argued that the recovery had been very dismal despite government's announcement of declaring the year 1998 as the loan recovery year.